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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 8, 2009

Certified Return Receipt
7003 2260 0002 0247 8799

James C. Petersen
541 Blvd # 2
Logan, Utah 84321

Subject: Deficient Reclamation Surety, Henrietta 21 Quarry, S/003/029, Box Elder County, Utah

Dear Mr. Petersen:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the Henrietta 21 quarry. This surety was due for review on January 4, 2009. Your current reclamation surety is \$18,600.00 which the Division is holding in the form of cash. The Division has recalculated the surety based on your permitted area of five acres to be:

\$24,600 escalated for 3 years (surety amount next reviewed in 2012) OR
\$25,200 escalated for 5 years (surety amount next reviewed in 2014)

The Division uses standard per-acre costs to determine surety amounts for small mines. The figures used are shown in the following table:

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 +\$17,200 = \$24,600) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 +\$17,600 = \$25,200) (5-year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.

Based on the information in the NOI, the Division has determined that you must post additional surety in the amount of:



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\$6000 for 3-year escalation OR
\$6600 for 5-year escalation

If the planned disturbed area in your Notice of Intention to Commence Small Mining Operations (NOI) is substantially different than what is currently planned, you may wish to amend the notice to more accurately reflect your future intent. At such time as the Division receives and reviews an amended NOI, we will determine an appropriate reclamation cost based on the new information and notify you of any changes needed to your surety. Another option for reducing the reclamation liability and the surety requirement would be to reclaim a portion of the site.

If you decide to amend the NOI or to reclaim a portion of the site, please submit the amendment or perform the reclamation no later than January 15, 2010. (Adverse weather conditions may allow an extension of this deadline.) If you choose not to amend the NOI we will expect the above stated amount to be filed with the Division no later than January 31, 2010.

Please contact surety coordinator, Penny Berry, 801-538-5291, for instructions on how to submit this increased surety. If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. M.', is written over the typed name Paul Baker.

Paul Baker
Minerals Program Manager

PBB:jrp

cc: larry_garahana@blm.gov

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